

Cathedral City

Staff Report

Item No. 6.A

Meeting Date: August 28, 2019

From: Tami Scott, Administrative Services Director

Title: Agreements with Agua Caliente Band of Cahuilla Indians

City Council

RECOMMENDATION:

To authorize the execution of an Intergovernmental Agreement and Memorandum of Understanding between the Agua Caliente Band of Cahuilla Indians and the City to mitigate the impacts of the future Casino development project.

BACKGROUND:

The Agua Caliente Band of Cahuilla Indians ("TRIBE") is a federally recognized Indian tribe located on federal trust lands, which are located within the geographic boundaries of the cities of Palm Springs, Cathedral City, Rancho Mirage, and the County of Riverside. The Tribe has inhabited the Coachella Valley and the surrounding mountains since time immemorial. The Agua Caliente Indian Reservation was established through Executive Order signed by President Ulysses S. Grant on May 15, 1876 and enlarged through Executive Order signed by President Rutherford B. Hayes on September 29, 1877, affirming the Tribe's sovereignty and land-base; and under the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 et seq. ("IGRA"), the Tribe may engage in gaming as a means of promoting Tribal economic development, self-sufficiency, and strong Tribal government.

On or about August of 2016, the Tribe entered into a gaming compact with the State of California, as contemplated under IGRA, with an effective date of October 31, 2016 (the "Compact"). The Tribe desires to operate tribal economic development projects in a manner that benefits the Tribe, its members, and the community as a whole, and the City recognizes the mutual benefit that can be derived if those goals are achieved. The Tribe has successfully developed and now operates and maintains two "Existing Gaming Facilities" pursuant to IGRA and the Compact. The Tribe has determined that a new gaming facility within the City of Cathedral City (the "New Gaming Facility"), featuring gaming activities authorized under IGRA and the Compact, would be a way in which to generate independent Tribal resources to provide for the health, education, employment, government, general welfare, safety, and cultural needs of the Tribe. In addition to the Existing Gaming Facilities, which have become major tourist attractions and regional employers bringing millions of dollars into the local community, the Tribe

has successfully developed, or is developing, its lands with other economic development or governmental projects that serve the Tribe and the community.

Section 11.7 of the Compact requires that before commencement of a "Project," as defined in the Compact, the Tribe must engage in certain specified environmental review processes and further requires the Tribe and the City or any impacted city to enter into an "Intergovernmental Agreement" for, among other things, the compensation for law enforcement, fire protection, emergency medical services, and any other public services to be provided in relation to the Tribe's gaming operations and the mitigation of any effect on public safety attributable to the Project. The Parties recognize that this Agreement therefore is an important and mutually beneficial means for furthering the government-to-government relationship between the Parties and in building trust, mutual respect, good will, and cooperation for the benefit of the entire community. The Tribe now anticipates the construction of the New Gaming Facility, which constitutes a "Project" under the Compact.

The future Gaming Facility is to be located at the northwest corner of East Palm Canyon Drive and Date Palm Drive in Cathedral City. The site will occupy approximately 13 acres, acquired from the City Urban Revitalization Corporation in August of 2017. The Tribe submitted a Fee-to-Trust application in November 2017, with the anticipated approval to be secured in the very near future.

DISCUSSION:

The purpose of this Intergovernmental Agreement is to set forth certain agreements of the Parties that are intended to:

- (a) Ensure the timely mitigation of any effect on transportation and circulation, public services and utilities, and noise attributable to the New Gaming Facility (collectively, the "Covered Matters"); and
- (b) Establish a mutually agreeable means to address and mitigate the Covered Matters; and
- (c) Identify the process to resolve disputes that may arise between the City and the Tribe under this Agreement; and
- (d) Create a framework for continuing to build and maintain a mutually beneficial government-to-government relationship between the Tribe and the City; and
- (e) Identify ways for the Tribe and the City to work together to provide additional services and benefits to the Tribal community and the City.

The Parties acknowledge that the establishment of the New Gaming Facility may create the need for additional law enforcement, fire protection, emergency medical services, and other public services to be provided the Tribe related to the New Gaming Facility and the need to mitigate the effect on public safety attributable to the New Gaming Facility. The Parties also acknowledge that the New Gaming Facility will provide substantial benefits to the Tribe, City, and surrounding communities, including increased employment, an important market for local vendors, and an attraction to patrons, tourists, and revenues from out of the area.

The Parties recognize that both the positive and negative effects of the New Gaming Facility on the interests of the Parties may be difficult to quantify, but in the government-to-government spirit that underlies this Agreement, and in order to address the need for additional law enforcement, fire protection, emergency medical services, and other public services to be provided to the New Gaming Facility and the need to mitigate the effect on public safety attributable to the New Gaming Facility and resolve differences of opinions between the Tribe and the City as to the extent and materiality of this need and the mitigation thereof, the Parties have agreed to add certain mitigation measures that take all of those positive and negative effects into account. The Compact Mitigation Measures embodied in this Agreement are intended to constitute the Intergovernmental Agreement between the Tribe and the City to the extent required under Section 11.7 of the Compact with respect to the New Gaming Facility.

The Tribe and the City agree that any Significant Effect on the Off-Reservation Environment from the New Gaming Facility will be adequately mitigated by the Tribe through its obligations under the Final EA/TEIR and that this Agreement will set forth a framework for mitigating the Covered Matters. The Compact Mitigation Measures set forth herein shall address and satisfy the Covered Matters due to the construction and operation of the New Gaming Facility.

To address and satisfy the Covered Matters due to the construction and/or operation of the New Gaming Facility, commencing on the first anniversary of issuance of the certificate of occupancy for the New Gaming Facility (the "Payment Commencement Date") and continuing for nine (9) years thereafter on the 1st day of October of each successive year, the Tribe shall make an annual Compact Mitigation Payment of one hundred fifty thousand dollars (\$150,000.00) for a total payment to the City of one million five hundred thousand dollars (\$1,500,000.00) over the term of the Agreement (the "Compact Mitigation Payment").

In addition to the Compact Mitigation Payment noted above, the Tribe in accordance with the mitigation measures identified in the New Gaming Facility Final EA/TEIR shall:

- Pay 100% of the costs for installation of a traffic signal at the intersection of Buddy Rogers Avenue and Date Palm Drive,
- ii. Pay 16% of the fair share cost of the future installation of a traffic signal at the intersection of Cathedral Canyon Drive and Paseo Real,
- iii. Contribute an in-lieu and equivalent mitigation payment, at the current rate, for the Transportation Uniform Mitigation Fee (TUMF),
- iv. Either pay, at the current rate, the City Transit Development Fee according to CCMC 14.10.030, or receive credit for the Transit Development Fee for funding the construction of a bus stop as part of the widening of East Palm Canyon and date Palm Drive, CCMC 14.10.040,
- v. Pay, at the current rate, the City Facilities Impact Fees for the New Gaming Facility,
- vi. Make an annual payment, at the current rate, to the City Fire and Police Facilities and Equipment Fund pursuant to Chapter 3.17 of the CCMC, and
- vii. In coordination with the City, fund mutually acceptable noise reduction measures along Buddy Rogers adjacent to existing City parks.

In addition to the Intergovernmental Agreement, a Memorandum of Understanding ("MOU") is intended to memorialize an additional commitment by the Tribe to allocate certain amounts from the Tribe's Tribal Transportation Program for the repair, maintenance and reconstruction of identified city streets.

The Tribe receives funding through the federal Tribal Transportation Program (TTP) via the Federal Highway Administration's (FHWA) Federal Lands Highway (FLH) Office for the planning, design, construction, and maintenance of public roads that provide access to and within the Reservation and serve the cultural, social, economic, and/or governmental needs of the Tribe, hereinafter referred to individually as a "Reservation Road" and collectively as "Reservation Roads". The Tribe and the City desire to continue to work together in good faith to complete the planning, design, and construction of Reservation Roads within the City; and only Reservation Roads that are listed in the official National Tribal Transportation Facility Inventory (NTTFI) and included in the Tribe's Tribal Transportation Improvement Program (TTIP) are eligible for TTP funding.

Thus, the MOU provides Commitments as follows:

- 1. The City will continue to be responsible for planning, contracting engineering design services, construction, and construction engineering and inspection services for all Reservation Roads within the City.
- 2. The Tribe will make total payments to the City, as necessary from its annual TTP funding allocations, of up to five million dollars (\$5,000,000) over the term of this MOU. In the event that TTP funding allocations are insufficient to meet this obligation, the Tribe and City will enter into good faith negotiations to determine alternative funding methods. The Tribe's funding commitment shall have an annual maximum cap of two million dollars (\$2,000,000), for use toward the planning, design, and construction of Reservation Roads within the City that are listed in the NTTFI and included the Tribe's TTIP, based on work performed and progress estimates submitted to the Tribe.
- 3. The City will credit the Tribe the amount of TTP funds received toward prior and ongoing Reservation Road projects as advance payment for any Tribally recognized traffic mitigation costs and/or fees associated with the development of Tribal projects as identified through the appropriate environmental review process.
- 4. The City and the Tribe will enter into Subcontractor Services Agreement(s) and other such other contracts or agreements as may be required to fulfill their respective commitments as memorialized in this MOU, and as required by federal regulations for the use of TTP funding.

FISCAL IMPACT:

\$150,000 per year to the General Fund, for a period of 10 years under the Intergovernmental Agreement; and, a total of \$5,000,000 over the same period as a contribution for city-wide road improvements.

The total amount reflected, which is an average of \$650,000 per year over 10 years, is consistent with the amount determined to be needed, through our 3rd party fiscal consultant, to mitigate the impacts of the project.

ATTACHMENTS:

Cathedral City Intergovernmental Agreement ACBCI_Cathedral City General TTP MOU w Exhibit A

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") by and between the Agua Caliente Band of Cahuilla Indians, a federally recognized Indian tribe ("Tribe") and the City of Cathedral City, California, a California charter city ("City") is dated and effective as of August 28, 2019. Tribe and City are sometimes hereinafter referred to as a "Party" and collectively as the "Parties." The terms "Tribe" and "City" as used herein shall include the Parties' governmental entities, departments, and officials unless otherwise stated.

RECITALS

WHEREAS, the Tribe is a federally recognized Indian tribe located on federal trust lands, which are located within the geographic boundaries of the cities of Palm Springs, Cathedral City, Rancho Mirage, and the County of Riverside; and

WHEREAS, the Tribe has inhabited the Coachella Valley and the surrounding mountains since time immemorial; and

WHEREAS, the Agua Caliente Indian Reservation was established through Executive Order signed by President Ulysses S. Grant on May 15, 1876 and enlarged through Executive Order signed by President Rutherford B. Hayes on September 29, 1877, affirming the Tribe's sovereignty and land-base; and

WHEREAS, under the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 *et seq*. ("IGRA"), the Tribe may engage in gaming as a means of promoting Tribal economic development, self-sufficiency, and strong Tribal government; and

WHEREAS, IGRA generally requires that Class III gaming be conducted pursuant to a Tribal-State Class III gaming compact; and

WHEREAS, on or about August of 2016, the Tribe entered into a gaming compact with the State of California, as contemplated under IGRA, with an effective date of October 31, 2016 (the "Compact"); and

WHEREAS, the Tribe desires to operate tribal economic development projects in a manner that benefits the Tribe, its members, and the community as a whole, and the City recognizes the mutual benefit that can be derived if those goals are achieved; and

WHEREAS, the Tribe has successfully developed and now operates and maintains two Existing Gaming Facilities (defined below) pursuant to IGRA and the Compact; and

WHEREAS, the Tribe has determined that a new gaming facility within the City of Cathedral City (the "New Gaming Facility"), featuring gaming activities authorized under IGRA and the Compact, would be a way in which to generate independent Tribal resources to provide for the health, education, employment, government, general welfare, safety, and cultural needs of the Tribe; and

WHEREAS, in addition to the Existing Gaming Facilities, which have become major tourist attractions and regional employers bringing millions of dollars into the local community, the Tribe has successfully developed, or is developing, its lands with other economic development or governmental projects that serve the Tribe and the community, including the Agua Caliente Cultural Plaza which includes a world class spa and the new Agua Caliente Cultural Museum (expected completion 2020), Village Traditions condominium residential project, Twin Palms single family residential project, Trading Post solar project, Heritage Plaza solar project, Indian Canyons Golf Resort, Indian Canyons Heritage Park, and; and

WHEREAS, Section 11.7 of the Compact requires that before commencement of a "Project," as defined in the Compact, the Tribe must engage in certain specified environmental review processes and further requires the Tribe and the City or any impacted city to enter into an "Intergovernmental Agreement" for, among other things, the compensation for law enforcement, fire protection, emergency medical services, (collectively referred to herein after as "**Public Safety Services**") and any other public services to be provided in relation to the Tribe's gaming operations and the mitigation of any effect on public safety attributable to the Project; and

WHEREAS, the Parties recognize that this Agreement therefore is an important and mutually beneficial means for furthering the government-to-government relationship between the Parties and in building trust, mutual respect, good will, and cooperation for the benefit of the entire community; and

WHEREAS, the Tribe now anticipates the construction of the New Gaming Facility, which constitutes a "Project" under the Compact. In accordance with the Compact, the Bureau of Indian Affairs has properly issued a Notice of Preparation of An Environmental Assessment / Tribal Environmental Impact Report ("EA/TEIR") to the State Clearinghouse in the State Office of Planning and Research and the City for distribution to the public; posted the Notice of Preparation on a publicly accessible website; filed a copy of the Draft EA/TEIR and the Notice of Completion of the Draft EA/TEIR with the State Clearinghouse, State Gaming Agency, City, California Department of Justice, and Office of the Attorney General; posted a copy of the Notice of Availability/Completion of the Draft EA/TEIR and a copy of the Draft EA/TEIR on a publicly accessible website; submitted the requisite copies of the Draft EA/TEIR and Notice of Availability/Completion of the Draft EA/TEIR to the City; satisfied the forty-five (45) day public comment period; has prepared, certified, and made available to the City, State Clearinghouse, State Gaming Agency, California Department of Justice, and Office of the Attorney General a Final EA/TEIR; and

WHEREAS, the Tribe formally negotiated the Intergovernmental Agreement with the City; and

WHEREAS, it is in the best interests of both Parties to enter into this Agreement for the purposes set forth herein.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

SECTION 1. PURPOSES OF AGREEMENT

- 1.1 The purpose of this Agreement is to set forth certain agreements of the Parties that are intended to:
- (a) Ensure the timely mitigation of any effect on transportation and circulation, Public Safety Services, other public services and utilities, and noise attributable to the New Gaming Facility (collectively, the "Covered Matters"); and
- (b) Establish a mutually agreeable means to address and mitigate the Covered Matters; and
- (c) Identify the process to resolve disputes that may arise between the City and the Tribe under this Agreement; and
- (d) Create a framework for continuing to build and maintain a mutually beneficial government-to-government relationship between the Tribe and the City; and
- (e) Identify ways for the Tribe and the City to work together to provide additional services and benefits to the Tribal community and the City.

SECTION 2. DEFINITIONS

Capitalized words not otherwise specifically defined in this Agreement shall have the definitions of such words as may be set forth in the Compact. The following terms shall be defined in this Agreement as set forth in this Section:

- 2.1 "Agreement" means this Intergovernmental Agreement, which shall be deemed to be the Intergovernmental Agreement between the Parties as required under Section 11.7 of the Compact.
- 2.2 "City" means the City of Cathedral City, California, a California municipal corporation.
- 2.3 "Compact" means the Tribal-State Compact between the State of California and the Agua Caliente Band of Cahuilla Indians effective October 31, 2016.
- 2.4 "Compact Mitigation Measures" means the Tribe's obligations and payment(s) as set forth in subsection 3.3(a) below.
- 2.5 **"Compact Mitigation Payment"** means the payment(s) as set forth in subsection 3.3(a) below.
 - 2.6 "Covered Matters" means those matters as set forth in subsection 1.1(a) above.

- 2.7 **"EA"** means an environmental assessment prepared by the Bureau of Indian Affairs pursuant to the requirements of the National Environmental Policy Act (NEPA; 42 United States Code [USC] § 4321 *et seq.*) for the New Gaming Facility.
- 2.1 **"Effective Date"** means the date this Agreement is executed by both Parties and so designated above in the introduction to this Agreement.
- 2.2 **"Gaming Device"** means a Gaming Device as defined in Section 2.10 of the Compact.
 - 2.1 "IGRA" means the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 et seq.
- 2.2 "New Gaming Facility" means a "Gaming Facility" as defined in Section 2.12 of the Compact, which the Tribe intends to construct on approximately 13.6-acres bordered by East Palm Canyon Drive/Highway 111 on the south, Date Palm Drive on the east, Buddy Rogers Avenue on the north, and commercial and vacant parcels within the City to the west, and which is within the geographical boundaries of the City and contiguous to the Reservation.
- 2.3 "Reservation" means the Agua Caliente Indian Reservation and includes land within the exterior boundaries of the Reservation as established by Presidential Executive Order, federal patent, or deed, and any other lands held in trust by the United States for the Tribe.
- 2.4 **"Payment Commencement Date"** means the date set forth in subsection 3.3(a) below.
 - 2.5 **"Project"** means an activity defined as a "Project" in Section 2.25 of the Compact.
- 2.6 "Significant Effect(s) on the Off-Reservation Environment" shall be as defined in Section 2.27 of the Compact.
- 2.7 "Tribal Environmental Impact Report" or "TEIR" is the report described in, and subject to, Section 11.1 of the Compact prepared by the Bureau of Indian Affairs for the New Gaming Facility.
- 2.8 **"Tribe"** means the Agua Caliente Band of Cahuilla Indians, a federally recognized Indian tribe.
- 2.9 **"Term"** means the term of this Agreement as provided in subsection 11.7 of this Agreement.

SECTION 3 NEW GAMING FACILITY MITIGATION MEASURES

3.1 **New Gaming Facility.** The Parties acknowledge that the establishment of the New Gaming Facility may create the need for additional law enforcement, fire protection, emergency medical services, and other public services to be provided the Tribe related to the New Gaming

Facility and the need to mitigate the effect on public safety attributable to the New Gaming Facility. The Parties also acknowledge that the New Gaming Facility will provide substantial benefits to the Tribe, City, and surrounding communities, including increased employment, an important market for local vendors, and an attraction to patrons, tourists, and revenues from out of the area.

3.2 New Gaming Facility Intergovernmental Agreement.

- Gaming Facility on the interests of the Parties may be difficult to quantify, but in the government-to-government spirit that underlies this Agreement, and in order to address the need for additional Public Safety Services and other public services to be provided the Tribe related to the New Gaming Facility and the need to mitigate the effect on public safety attributable to the New Gaming Facility, and resolve differences of opinions between the Tribe and the City as to the extent and materiality of this need and the mitigation thereof, the Parties have agreed to add certain mitigation measures that take all of those positive and negative effects into account. The Compact Mitigation Measures embodied in this Agreement are intended to constitute the Intergovernmental Agreement between the Tribe and the City to the extent required under Section 11.7 of the Compact with respect to the New Gaming Facility.
- (b) The Tribe and the City agree that any Significant Effect on the Off-Reservation Environment from the New Gaming Facility will be adequately mitigated by the Tribe through its obligations under the Final EA/TEIR and that this Agreement will set forth a framework for mitigating the Covered Matters (the "Compact Mitigation Measures").
- 3.3 **Compact Mitigation Measures.** The Compact Mitigation Measures set forth herein shall address and satisfy the Covered Matters due to the construction and operation of the New Gaming Facility.
- (a) **Compact Mitigation Payment.** To address and satisfy the Covered Matters due to the construction and/or operation of the New Gaming Facility, commencing on the first anniversary of issuance of the certificate of occupancy for the New Gaming Facility (the "Payment Commencement Date") and continuing for nine (9) years thereafter on the 1st day of October of each successive year, the Tribe shall make an annual Compact Mitigation Payment of one hundred fifty thousand dollars (\$150,000.00) for a total payment to the City of one million five hundred thousand dollars (\$1,500,000.00) over the term of the Agreement (the "Compact Mitigation Payment") in accordance with this subsection 3.3.
- (b) **Compact Mitigation Compliance.** In addition to the Compact Mitigation Payment noted above at subsection 3.3(a), the Tribe in accordance with the mitigation measures identified in the New Gaming Facility Final EA/TEIR at Table 5-1 shall:
 - i. Pay 100% of the costs for the design, construction, and similar work related to the installation of a traffic signal at the intersection of Buddy Rogers Avenue and Date Palm Drive,

- ii. Pay 16% of the fair share cost of the future design, construction, and similar work related to the installation of a traffic signal at the intersection of Cathedral Canyon Drive and Paseo Real,
- iii. Contribute an in-lieu and equivalent mitigation payment, at the then current rate, for the Transportation Uniform Mitigation Fee (TUMF),
- iv. Either pay, at the then current rate, the City Transit Development Fee according to CCMC 14.10.030 and as set by City resolution, or receive credit for the Transit Development Fee for funding the construction of a bus stop as part of the widening of East Palm Canyon and date Palm Drive, CCMC 14.10.040,
- v. Pay, at the then current rate, the City Facilities Impact Fees, as set by City ordinance or resolution, for the New Gaming Facility,
- vi. Make an annual payment, at the then current rate, to the City Fire and Police Facilities and Equipment Fund pursuant to Chapter 3.17 of the CCMC, and
- vii. In coordination with the City, fund mutually acceptable noise reduction measures along Buddy Rogers adjacent to existing City parks.
- (c) Release from Future Damage. Except as is provided in subdivision (e) below, the City acknowledges and agrees that construction and operation of the New Gaming Facility will result in the need to address and satisfy the Covered Matters and mitigate the Significant Effect(s) on the Off-Reservation Environment identified in the Final EA/TEIR. Upon the Tribe's completion of the Compact Mitigation Measures set forth in subsections 3.3(a) and (b) above, the City hereby releases and forever holds the Tribe, its Tribal Council and each member thereof, and its directors, officers, members, representatives, agents, contractors, and employees free and harmless from further obligations that pertain to the Tribe's construction and operation of the New Gaming Facility.
- (d) **Covenant not to Sue.** Notwithstanding any provision herein to the contrary, the City agrees not to commence any action or proceeding against the Tribe concerning the construction and/or operation of the New Gaming Facility after the mitigation measures identified in the Final EA/TEIR are completed and the Compact Mitigation Payment is paid in full.
- Future Need for Additional Services. The Tribe and the City acknowledge (e) and agree that operation of the New Gaming Facility will require ongoing, and potentially additional, Public Safety Services and other public services provided by the City (collectively referred to herein after as "City Services") beyond the Term of this Agreement. In the event that the New Gaming Facility is still in operation in the ninth (9th) year of the Term and is expected to continue operating beyond the expiration of the Term of this Agreement, the Parties shall meet beginning in January of the 9th year and assess whether the level of City Services to the New Gaming Facility, or other development on the site, has increased or decreased during the Term beyond that originally contemplated in this Agreement and/or whether additional City Services are necessary or desirable. If the Parties mutually agree that there has been a change in the level of City Services or that additional City Services are necessary or desirable, then the Parties shall negotiation either an extension or amendment to this Agreement or a new agreement between them that is mutually agreeable. In the event that the Parties are reasonably unable to approve and duly execute such arrangements before the expiration of the Term, then the Term of this Agreement, and Tribes obligations to make any annual or ongoing payments to City, shall be automatically,

without any action or notice required by or from either party to the other, be extended in consecutive six (6) month increments, until the Parties have come to a mutually agreeable arrangement or have settled any dispute that has arisen pursuant to Section 7 of this Agreement.

3.4 **Regular Meetings of the Parties.** In an effort to maintain and promote good government-to-government relations between the Tribe and the City, the Parties' designated representatives shall meet on a regular basis, every six (6) months to discuss issues of mutual interest.

SECTION 4. FUTURE ENVIRONMENTAL REVIEW AND MEASURES

4.1 For any future changes to the New Gaming Facility beyond the scope contemplated in the Final EA/TEIR, the Parties agree to follow the requirements of the Compact or any requirements of any State Gaming Compact between the Tribe and the State of California then in place. The Parties agree to commit to having a continuing dialogue with regard to mutual collaboration on future governmental projects benefiting both the Tribe and City in the areas of roadway infrastructure, law enforcement, public safety, and other such programs as may be feasible.

SECTION 5. EFFECT OF FEDERAL LAWS REGARDING ENVIRONMENTAL MATTERS

- 5.1 Notwithstanding any provision to the contrary, the Parties acknowledge that the Tribe is subject to federal laws and regulations regarding the environment and health and safety, including, but not limited to, the Clean Water Act, Safe Drinking Water Act, Endangered Species Act, IGRA, and the Occupational Safety and Health Act, and permit conditions including, but not limited to, conditions in any National Pollution Discharge Elimination System permits. Except as provided below, the Parties agree that the matters regulated by these laws, regulations, and permits shall be matters that are between the Tribe and the federal agency having jurisdiction over such statutes, regulations, and permits, and a violation of such statutes, regulations, and permits shall not be considered in conflict with this Agreement or a required part of it. Consistent with the above, the City shall retain whatever rights it may have with respect to participation in the matters regulated by these laws, regulations, and permits, including without limitation, the rights to take such administrative or legal actions as may be necessary to protect its rights in accordance with the statutes and regulations applicable to the federal agency conducting the proceedings.
- 5.2 Any dispute or disagreement the City has with a federal process or its outcome thus shall only be subject to the remedies available in such process and not through the dispute resolution or other provisions of this Agreement.
- 5.3 Nothing herein shall be construed as limiting the Parties' respective rights to reach agreement on a voluntary basis with each other over such matters outside such federal process, subject to applicable law and the sole discretion of each Party as to whether or not to negotiate or agree on such matters outside the context of the federal process itself.

SECTION 6. CONFIDENTIALITY OF INFORMATION

- 6.1 The Parties acknowledge and agree that this Agreement is subject to the requirements of the California Public Records Act (Government Code section 6250 et seq.). Each Party (a "Receiving Party") acknowledges that the other Party (a "Disclosing Party") may submit information to the Receiving Party that the Disclosing Party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (California Civil Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the Disclosing Party must clearly stamp and identify the specific portion of the material designated with the word "Confidential." The Parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages, or series of pages as confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement ("Requestor") for production, inspection, and/or copying of information designated by a Party as confidential information (such designated information, the "Confidential **Information**"), the Receiving Party shall notify the Disclosing Party as soon as practical that such request has been made. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor's demand and is not required to defend against it.
- 6.2 If required by applicable federal, state, local, or Tribal law, statute, ordinance, a court, governmental authority, or agency having jurisdiction over a Party, including the California Public Records Act, that Party may release Confidential Information, or a portion thereof, as required by the applicable law, statute, ordinance, decision, order or regulation. In the event a Party is required to release Confidential Information, such Party shall notify the other Party of the required disclosure, such that the other Party may attempt (if such Party so chooses), at its sole cost, to cause the recipient of the Confidential Information to treat such information in a confidential manner, and to prevent such information from being disclosed or otherwise becoming part of the public domain.
- 6.3 Except as provided in this Section and the California Public Records Act, neither Party shall publish, disclose, or otherwise divulge Confidential Information to any person at any time during or after the term of this Agreement, without the other Party's prior express written consent. Each Party shall permit knowledge of and access to Confidential Information only to those of its affiliates and to their respective attorneys, accountants, representatives, agents and employees who have a need to know such Confidential Information related to this Agreement.

SECTION 7. DISPUTE RESOLUTION

- 7.1 **Dispute Resolution Process.** In recognition of the government-to-government relationship of the Tribe and the City, the Parties shall make their best efforts to resolve disputes that arise under this Agreement by good faith negotiations whenever possible. Therefore, except for the right of either Party to seek injunctive relief against the other when circumstances are deemed to require immediate relief, the Tribe and the City shall seek to resolve disputes by first meeting and conferring in good faith in order to foster a spirit of cooperation and efficiency in the administration and monitoring of the performance and compliance of the terms, provisions, and conditions of this Agreement as follows:
- (a) Either Party shall give the other, as soon as possible after the event giving rise to the concern, a written notice setting forth the facts giving rise to the dispute and with specificity, the issues to be resolved.
- (b) The other Party shall respond in writing to the facts and issues set forth in the notice within fifteen (15) days of receipt of the notice, unless both parties agree in writing to an extension of time.
- (c) The Parties shall meet and confer in good faith by telephone or in person in an attempt to resolve the dispute through negotiation within thirty (30) days after receipt of the notice set forth in subsection 7.1(a) above, unless both Parties agree in writing to an extension of time.
- (d) If the dispute is not resolved to the satisfaction of the Parties after the first meeting, either Party may seek to have the dispute resolved by an arbitrator in accordance with this Section 7, but neither Party shall be required to agree to submit to arbitration.
- (e) Disputes that are not otherwise resolved by arbitration or other mutually agreed means may be resolved in the United States District Court in the judicial district and division where the Tribe's New Gaming Facility is located, or if those federal courts lack jurisdiction, in any state court of competent jurisdiction in or over the City. The disputes to be submitted to court action include, but are not limited to, claims of breach of this Agreement. Notwithstanding any other provision of law or this Agreement, neither the City nor the Tribe shall be liable for damages or attorney fees in any action based in whole or in part on the fact that the Parties have either entered into this Agreement, or have obligations under this Agreement. The Parties are entitled to all rights of appeal permitted by law in the court system in which the action is brought.
- (f) In no event may the Tribe be precluded from pursuing any arbitration or judicial remedy against the City on the ground that the Tribe has failed to exhaust its City administrative remedies, and in no event may the City be precluded from pursuing any arbitration or judicial remedy against the Tribe on the ground that the City has failed to exhaust any Tribal administrative remedies.

- 7.2 **Arbitration Rules between the Tribe and the City.** Arbitration between the Tribe and the City shall be conducted before a JAMS arbitrator in accordance with JAMS Comprehensive Arbitration Rules. Discovery in the arbitration proceedings shall be governed by Section 1283.05 of the California Code of Civil Procedure, provided that no discovery authorized by that Section may be conducted without leave of the arbitrator. The Parties shall equally bear the cost of JAMS and the JAMS arbitrator. Either Party dissatisfied with the award of the arbitrator may at the Party's election invoke the JAMS Optional Arbitration Appeal Procedure (or if those rules no longer exist, the closest equivalent). In any JAMS arbitration under this subsection 7.2, the Parties will bear their own attorney's fees. The arbitration shall take place within seventy-five (75) miles of the Gaming Facility, or as otherwise mutually agreed by the Parties and the Parties agree that either Party may file a state or federal court action to (i) enforce the Parties' obligation to arbitrate, (ii) confirm, correct, or vacate the arbitral award rendered in the arbitration in accordance with Section 1285 et seq. of the California Code of Civil Procedure, or (iii) enforce or execute a judgment based upon the award. In any such action brought with respect to the arbitral award, the Parties agree that venue is proper in any state court located within the County of Riverside or in any federal court located in the Central District of California, Eastern Division and all related appellate courts.
- 7.3 **No Waiver or Preclusion of Other Means of Dispute Resolution.** This Section 7 shall not be construed to waive, limit, or restrict any remedy to address issues not arising out of this Agreement that is otherwise available to either Party, nor shall this Section 7 be construed to preclude, limit, or restrict the ability of the Parties to pursue, by mutual agreement, any other method of dispute resolution, including, but not limited to, mediation.

SECTION 8. NOTICES

- 8.1 Notices pursuant to this Agreement and service of process in any judicial or arbitration proceeding is waived in favor of delivery of documents by (i) delivery by a reputable document delivery service, such as, but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (ii) by Certified Mail Return Receipt Requested to the following:
 - 8.2 For the Tribe:

 Tribal Chairperson
 Agua Caliente Band of Cahuilla Indians
 5401 Dinah Shore Drive
 Palm Springs, California 92264

Tel: (760) 699-6920

With a copy simultaneously delivered to: General Counsel Agua Caliente Office of General Counsel 5401 Dinah Shore Drive Palm Springs, California 92264 Tel: (760) 699-6952

,

8.3 For the City:

City Manager City of Cathedral City 68700 Avenida Lalo Guerrero Cathedral City, California 92234 Tel: (760) 770-0372

With a copy simultaneously delivered to:

City Attorney Burke, Williams & Sorrensen, LLP 1770 Iowa Avenue, Suite 240 Riverside, California 92507 Tel: (951) 788-0100

8.4 Either Party may change the names and addresses to which notices and service of process may be delivered by written notice to such persons as listed in the subsection or by subsequent notice of changes.

SECTION 9. MUTUAL LIMITED WAIVER OF SOVEREIGN IMMUNITY

- 9.1 The Parties agree that the Parties' waiver of immunity from arbitration or suit, or the enforcement of any order or judgment related thereto, is limited to the express provisions of Section 7 of this Agreement, and neither the agreement to arbitrate nor any other provision of this Agreement shall be construed as creating any implied waiver of such immunity.
- 9.2 The Parties each expressly covenant and agree that they may each sue and be sued, including the resolution of disputes in arbitration and the judicial enforcement thereof, as provided in Section 7 above, solely to resolve any controversy arising from this Agreement or to enforce or interpret the terms and conditions of this Agreement, as provided for in this Agreement. The Parties expressly agree to waive governmental immunities, including sovereign immunity, in connection with any claims arising from this Agreement, as provided for herein solely for the enforcement of any arbitral award, or judgment to enforce such award. The Parties further consent to the jurisdiction of an arbitrator and/or specified court under this Agreement including the consent to be sued and bound by a lawful order or judgment, to the extent provided for herein. Each of the Parties represent that its agreement to such dispute resolution processes and waivers has been effectively and lawfully granted and that nothing further needs to be done to effectuate those processes.
- 9.3 With respect to any action arising out of this Agreement for which there is a waiver of sovereign immunity, the Tribe and City expressly consent to any state court located within the County of Riverside or in any federal court located in the Central District of California, Eastern Division and all related appellate courts, and/or an arbitrator selected pursuant to this Agreement

and specifically waive sovereign immunity for that purpose. The Parties specifically agree that the applicable court shall have jurisdiction to enter judgments enforcing rights and remedies provided in this Agreement, which shall be binding and enforceable on the Parties, subject to the limitations set forth in this Agreement. No Party to this Agreement shall contest jurisdiction or venue of the above-referenced courts, provided their jurisdiction and venue are invoked in the order specified, but only for disputes or claims arising out of this Agreement. Neither the Tribe nor the City shall plead or invoke the doctrine of exhaustion of Tribal or other administrative remedies, defenses of immunity, or indispensable parties beyond those contemplated in this Agreement.

9.4 The City and the Tribe may not join or consent to the joinder of any third party to any action (including but not limited to any arbitration) contemplated herein, unless failure to join such party would deprive the court or arbitration tribunal of jurisdiction; provided that nothing in this Agreement shall be construed to constitute a waiver of sovereign immunity or other protection from lawsuit (or other dispute resolution process), or the effect, orders, or judgments thereof, of either the Tribe or the City with respect to any claim of any kind by any such third party. In the event of intervention by any third party into any such action without the consent of the Tribe and the City, nothing herein shall be construed to constitute a waiver of any immunity with respect to such third party, and no arbitrator or court shall have jurisdiction to any award any relief or issue any order as against the City or Tribe with respect to such third party in that or any other proceeding.

SECTION 10. REVIEW UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT

10.1 Pursuant to California Government Code section 12012.49, and in deference to Tribal sovereignty, the approval and execution of this Agreement by the Parties is not a project within the meaning of the California Environmental Quality Act, California Public Resources Code sections 21000 *et seq.* ("CEQA") because this Agreement has been negotiated pursuant to the express authority of the Compact, specifically Section 11.7 of the Compact, and because the Agreement only establishes a source of funds for potential future City actions that are otherwise required as a matter of law and does not itself approve any development, including the Gaming Facility Expansion.

SECTION 11. MISCELLANEOUS PROVISIONS

- 11.1 **No Authority over Tribal Activities.** Nothing in this Agreement is intended to confer or expand the jurisdiction of any local, state, or federal agency or other governmental body, nor is this Agreement intended to infringe or otherwise usurp the authority of any regulatory body including local, state, federal, or Tribal agencies that may have jurisdiction over or related to Tribal activities, development, or Projects. Further, nothing in this Agreement shall be construed to relieve the Tribe's obligation to comply with the National Environmental Policy Act ("NEPA") as may be required as part of any trust application or any other Project requirement.
- 11.2 **No Third-Party Beneficiaries.** This Agreement is not intended to, and shall not be construed to, create any right on the part of a third party including, without limitation, no rights

in any interested persons, nor does it create any private right of action for any third party nor permit any third party to bring an action to enforce any of its terms.

- 11.3 **Final Agreement.** This Agreement contains the entire agreement of the Parties as to the subject matter herein and supersedes any other agreements of the Parties to the contrary. However, this Agreement shall not prohibit any future agreements contemplated by the Parties. This Agreement is intended both as the final expression of the agreement between the Parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement consistent with California Code of Civil Procedure section 1856. No modification or amendment of this Agreement shall be effective unless and until such modification or amendment is evidenced by a writing approved and signed by the Parties.
- 11.4 **Severability of Provisions.** The invalidity of any provisions or portion of this Agreement as determined by a court of competent jurisdiction or any State or federal agency having jurisdiction and thereof and the authority to do so, shall not affect the validity of any other provisions of this Agreement or the remaining portions of the applicable provisions, unless such provision is material to the reasonable expectation of the Parties. Without limiting the foregoing, if any provision of the Agreement is declared invalid as aforesaid, then the Parties shall use their best efforts to renegotiate the terms of the invalid provisions.
- 11.5 **Force Majeure.** The Parties shall not be liable for any failure to perform, or for delay in performance of a Party's obligations, and such performance shall be excused for the period of the delay and the period of performance shall be extended when a force majeure event occurs; provided, however, that the Party whose performance is prevented or delayed by such event or force majeure shall give prompt written notice (i.e., within seventy-two (72) hours of the event) of such event to the other Party. For purposes of this subsection, the term "force majeure" shall include, without limitation, war, epidemic, rebellion, riot, civil disturbance, earthquake, fire, flood, acts of governmental authorities (other than the Tribe or City), acts of God, acts of terrorism (whether actual or threatened), acts of public enemy and in general, any other severe causes or conditions beyond the reasonable control of the Parties, the consequences of which in each case, by exercise of due foresight such Party could not reasonably have been expected to avoid, and which by the exercise of due diligence it would not have been able to overcome, when such an event prevents the Tribe from performing at a level sufficient to meet its obligations under this Agreement due to substantial changes in the Tribe's ability to offer gaming activities at the current level, ceasing gaming or hotel operations for an extended period, or prevents the City from meeting its obligations under this Agreement due to an interruption of City government operations. An interruption of performance, or the delayed occurrence of any event, under this Agreement caused by an event or force majeure, the Party so excused shall promptly, diligently, and in good faith take all reasonable action required in order for it to be able to commence or resume performance of its obligations under this Agreement.
- 11.6 **Governing Law.** This Agreement shall be construed according to the application of federal and California substantive law to the extent not inconsistent with the express provisions of this Agreement, unless federal law as to the Tribe or the City, or California law as to the City, prohibits the Parties from abiding by such express provision, in which case the provision will be deemed to be invalid and resolved, if possible, under the severability provisions in subsection 11.4

hereof. Notwithstanding the foregoing, California rules of construction shall be applied in interpreting this Agreement. This Agreement shall be deemed to have been drafted jointly by the Parties and shall not be construed as having been drafted by, or construed against, one party against another.

- 11.7 **Term; Obligations to Continue.** The Term of this Agreement shall be from the Effective Date until the expiration or earlier termination of the Compact as now exists or as may be amended, restated, or extended by the Tribe and the State to provide for the use of Gaming Devices at the New Gaming Facility, unless sooner terminated pursuant to the terms of this Agreement or extended pursuant to Section 3.3(e) of this Agreement or by mutual agreement of the Parties. Unless specifically designated otherwise, all of the Parties' obligations under this Agreement shall continue through the Term, including any extensions thereof. Notwithstanding the end of the Term, any covenant, term, or provision of this Agreement which, in order to be effective, or is necessary to enforce an unfulfilled material term of this Agreement or obligation that may continue beyond the end of the Term shall survive termination.
- 11.8 **Duplicate Originals.** At least two (2) copies of this Agreement shall be signed and exchanged by the Parties each of which shall be considered an original document.
- 11.9 **Approval.** Each Party's execution, delivery, and performance of this Agreement shall be approved by each Party's respective governing body, which shall provide that the Party shall not enact a law impairing the rights and obligations under this Agreement.
- 11.10 **Obligation on Related Entities.** This Agreement binds the Parties and their departments, affiliates, agents, representatives, successors, contractors, officials, and related entities, which such Agreement shall also be reflected in a resolution of each Party's respective governing body approving the Agreement.
- 11.11 **Authority/Authorization.** The City and Tribe each represent and warrant that each has performed all acts precedent to adoption of this Agreement, including, but not limited to, matters of procedure and notice and each has the full authority to execute this Agreement and perform its obligations in accordance with the above terms and conditions, and that the representative(s) executing this Agreement on behalf of each Party is duly authorized to so execute and deliver the Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereby execute and enter into this Agreement with the intent to be bound thereby through their authorized representatives whose signatures are affixed below.

AGUA CALIENTE BAND OF CAHUILLA INDIANS

By:	
J	Jeff L. Grubbe, Chairman
Attest	
Ву:	Vincent Gonzales III, Secretary/Treasurer
	, •
Appro	ved as to Form:
Ву:	John T. Plata, General Counsel
	John T. Plata, General Counsel
CITY	OF CATHEDRAL CITY
D.,,	
Б у:	Mark Carnevale , Mayor
Attest	
Allesi	
Ву:	Tracey R. Martinez, City Clerk
	Tracey R. Martinez, City Clerk
Appro	ved as to Form:
Ву:	Eric S. Vail, City Attorney
	Eric S. Vail, City Attorney

INTERGOVERNMENTAL MEMORANDUM OF UNDERSTANDING By and Between THE AGUA CALIENTE BAND OF CAHUILLA INDIANS and THE CITY OF CATHEDRAL CITY Regarding

TRIBAL TRANSPORTATION PROGRAM FUNDING FOR RESERVATION ROADS

THIS INTERGOVERNMENTAL MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this 28th day of August 2019, by and between the AGUA CALIENTE BAND OF CAHUILLA INDIANS, a federally recognized Indian tribe, (the "Tribe") and the CITY OF CATHEDRAL CITY, a California charter city (the "City").

I.

RECITALS

WHEREAS, the Agua Caliente Band of Cahuilla Indians is a federally recognized Indian tribe governing itself according to a Constitution and By-Laws and exercising sovereign authority over the lands of the Agua Caliente Indian Reservation (the "Reservation"), acting through its duly elected Tribal Council, subject to federal law; and

WHEREAS, the City, acting through its duly elected City Council, is a charter city, established pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Tribe receives funding through the federal Tribal Transportation Program (TTP) via the Federal Highway Administration's (FHWA) Federal Lands Highway (FLH) Office for the planning, design, construction, and maintenance of public roads that provide access to and within the Reservation and serve the cultural, social, economic, and/or governmental needs of the Tribe, hereinafter referred to individually as a "Reservation Road" and collectively as "Reservation Roads"; and

WHEREAS, the Tribe and the City desire to continue to work together in good faith to complete the planning, design, and construction of Reservation Roads within the City; and

WHEREAS, only Reservation Roads that are listed in the official National Tribal Transportation Facility Inventory (NTTFI) and included in the Tribe's Tribal Transportation Improvement Program (TTIP) are eligible for TTP funding.

WHEREAS, attached to this MOU and incorporated herein by reference as Exhibit "A" is a list of the Reservation Roads already included in the NTTFI that are eligible for TTP funding during the term of this MOU.

II.

COMMITMENTS:

- 1. The City will continue to be responsible for planning, contracting engineering design services, construction, and construction engineering and inspection services for those Reservation Roads within the City that are designated in Exhibit "A" as being eligible for TTP funding. At such times as City identifies a road project which it reasonably determined will benefit a Reservation Road, it may submit it to the Tribe with a request for TTP funding pursuant to this MOU. The Tribe will consider the road project and if it determines the road project to be eligible for TTP funding, then the Tribe will not unreasonably refuse to add the road project to the TTIP for FHWA administrative approval of funding, subject to the funding limits subject to Section 2 of this MOU.
- 2. The Tribe will make total payments to the City, as necessary from its annual TTP funding allocations, of up to five million dollars (\$5,000,000) over the term of this MOU. In the event that TTP funding allocations are insufficient to meet this obligation, the Tribe and City will enter into good faith negotiations to determine alternative funding methods. The Tribe's funding commitment shall have an annual maximum cap of two million dollars (\$2,000,000), for use

toward the planning, design, and construction of Reservation Roads within the City that are listed in the NTTFI and included the Tribe's TTIP, based on work performed and progress estimates submitted to the Tribe.

- 3. The City will credit the Tribe the amount of TTP funds received toward Reservation Roads designated on Exhibit "A" as advance payment for any Tribally recognized traffic mitigation costs and/or fees associated with the development of Tribal projects as identified through the appropriate environmental review process. Nothing in the Section is intended to entitle the Tribe to credit against mitigation payments or other compensation the Tribe has paid or agreed to pay City under that Intergovernmental Agreement dated August 28, 2019.
- 4. The City and the Tribe will enter into Subcontractor Services Agreement(s) and other such other contracts or agreements as may be required to fulfill their respective commitments as memorialized in this MOU, and as required by federal regulations for the use of TTP funding.

III.

GENERAL TERMS AND CONDITIONS:

- 1. <u>Recitals.</u> All of the above recitals are true and correct and the Tribe and City so find and determine and incorporate such recitals as part of this MOU by this reference.
- 2. <u>Modifications.</u> This MOU may only be modified in writing, signed and duly approved by both the Tribal Council and the City Council.
- 3. <u>Approval.</u> This MOU shall be approved by formal action of the City Council and the Tribal Council.
- 4. <u>Authority.</u> The individuals signing this MOU warrant and represent that pursuant to their respective governing laws, constitutions and/or bylaws they have the full power and authority to enter into this MOU and fully perform in accordance with the terms hereof, and the Tribe and

the City acknowledge that their respective legal counsels have advised that this MOU is not subject to approval of the authorized representative of the Secretary of the Interior under 25 U.S.C. §81.

- 5. Effective Date. This MOU shall take effect on the date first set forth above.
- 6. <u>Termination Date.</u> This MOU shall remain in effect until all Reservation Road project(s) identified in the NTTFI and TTIP located within the City are completed, or until September 30, 2029, whichever is sooner.

IN WITNESS WHEREOF, the Tribe and the City hereto have executed this MOU as of the date first written above.

"TRIBE" Agua Caliente Band of Cahuilla Indians A Federally-Recognized Sovereign Indian Tribe Approved as to Form John T. Plata Jeff L. Grubbe Tribal Council Chairman General Counsel "CITY" City of Cathedral City, California A Municipal Corporation **ATTEST** Mark Carnevale Tracey Martinez, City Clerk City Mayor Approved as to Form

Eric S. Vail, City Attorney

Geospatial (760) 883-19 Cathedral City Packet Pg. 356